

PECONIC LOST WITH 20 MEN.

OVERHELMED BY STORM OFF
COAST OF GEORGIA.

Two Men Reach Shore in a Lifeboat—
One Wave Shifted the Cargo and
Another Sank the Steamer—Owned
by David H. E. Jones of This City.

JACKSONVILLE, Fla., Aug. 28.—The steamer Peconic was lost Sunday night off Cumberland Island, near Fernandina, with a crew of twenty men. Two sailors landed on Amelia Beach in front of Fernandina yesterday morning in a lifeboat and told of the loss of the steamer. The men, a Spaniard and an Italian, were in a state of collapse when they landed on the beach, but little could be got out of them.

According to their story, the Peconic left Philadelphia on Aug. 19 for New Orleans with a cargo of coal. On Sunday a stiff breeze sprang up and by night it was blowing a gale from the north-northeast. About midnight soundings were taken, and the vessel was then in from ten to fifteen fathoms of water.

Capt. Jones gave orders to head to sea, and the men at the wheel brought the vessel sharply around, directly in the trough of the sea. An immense wave struck the steamer and knocked her starboard beam down. As she lay on her side the cargo shifted and she could not recover. The water rushed into the ports and companionways and in about ten minutes she was struck by a monster wave and was sunk. Of the twenty-two men on board the two sailors were all that were afloat.

The two surviving sailors say that they saw the steamer could not survive and cut away the lifeboat just as she went down. The men said that the entire crew were foreigners, and that the only members they knew were Domenico Setlano, Pasquale Indeleo, one French sailor, five Spanish firemen, one Spanish sailor, Mate James and Capt. Jones.

The men said that the wind was so high and the seas were rolling so that they could not rescue any of their shipmates. The rest of the night they drifted about in the angry sea. Their boat filled with water but could not sink, as it had patent air tanks. Shortly after daylight they sighted land and, after desperate efforts, they landed through the surf directly in front of a summer resort hotel. The Peconic had on board about 1,500 tons of coal. The men were cared for by citizens of Fernandina and will apply to their respective Consuls for assistance.

PHILADELPHIA, Aug. 28.—The Peconic was running back to New Orleans with a cargo of coal after unloading a cargo of 2,422 tons of sulfur in Philadelphia for the Union Sulphur Company of that city. Capt. C. R. Jones is said to be a relative of the owner.

"Only one of my men shipped from New Orleans," he told the quarantine people when here. "All the rest of them I took on at Algiers, just across the river, where there is no yellow fever. I shipped my men there to avoid yellow jack."

The Peconic had a record as a hoodoo ship. Its misfortunes on coming up to Philadelphia comprised its holding up at Reedy Island quarantine, at the Marcus Hook quarantine and at the quarantine at Delaware Breakwater, its going ashore in the mud in the Horseshoe bend Philadelphia and the subsequent sinking of Capt. Jones for a breach of port law.

The Peconic was originally a British steamship and plied between this port and the Mediterranean. She was admitted to American registry after receiving extensive repairs in an American shipyard, about a year ago, and recently had been running coastwise as a freighter. She sailed from Philadelphia on Aug. 19 for New Orleans with a cargo of coal. She was owned by David H. E. Jones of 21 State street, Manhattan. She was built at Liverpool in 1881, measured 1,154 tons, was 270 feet long, of 34 feet 6 inches beam and 22 feet 8 inches deep.

HANDBOOK AT THEATER DOOR.

Collector of Dollars From "Fantasia" Girls Nabbed—Cadillac Play Stopped.

Two plain clothes men from the West Forty-seventh street station noticed that many of the chorus girls and some of the men going into the stage entrance of the Lyric Theater yesterday afternoon for rehearsal stopped and handed something to a flashy dressed man at the door. Going closer they saw that it was a bill and a slip of paper that in most cases changed possession. Then they took the recipient to the station house. On him they found about fifty \$1 bills and almost as many handkerchiefs, or "plays" as they are known in bookkeeping parlance.

Strolling back into the new Tenderloin the detectives observed much the same transactions in progress in the café of the Hotel Cadillac. The only difference was that rolls of bills instead of solitary ones were passing hands and that the players were men. The man getting the money in this instance had \$550 in his pockets and the "plays" indicated that nothing less than a \$100 bet went.

The alleged bookmaker for chorus girls said he was George Deane, 106 West Ninety-ninth street, a doorkeeper by occupation. The other gave his name as Edward Marshall and said he was a speculator, living at 156 West Sixth-street. The prisoners were released after \$1,000 bail for each had been accepted by Magistrates Finn and Mayo.

PLUNGER GETS BACK.

Will Go to Newport After Further Trimming Up at the Navy Yard.

The submarine boat Plunger, in which President Roosevelt made his descent under water, arrived yesterday at the Brooklyn navy yard from Oyster Bay under the convoy of the Apache. She will remain at the yard until some improvements, work on which was temporarily suspended when Lieut. Charles E. Nelson got orders to report as soon as possible at Oyster Bay, have been completed.

She will probably be ready to go to permanent quarters at Newport in a week or ten days. Lieut. Nelson will not give out anything in reference to President Roosevelt's trip beneath the waters of Oyster Bay, and the members of the crew are equally reticent. The Plunger is moored to the dock alongside the tug Nina, and no visitors are allowed on her.

THE VERY BEST ACCOMMODATIONS
on New York Central trains can be had only by buying them some time in advance—trains are running full. The New York Central is the passenger line of America. See time table in this paper.

MR. MORGAN SEES PRESIDENT.

Canton-Hankow Railroad and Proposed Sale of Franchise Discussed.

OYSTER BAY, Aug. 28.—J. Pierpont Morgan came to take luncheon with the President to-day and to discuss further the Canton-Hankow Railroad. The Chinese Government wants to buy the road. The President is said to be opposed to its sale into other than American hands. At the Executive offices to-day it was said that no conclusion to the matter had been reached.

Mr. Morgan came here about 1 o'clock on his yacht, the *Waverler*, and left about 3. This was Mr. Morgan's second visit this summer. The annual meeting of the China-American Development Company takes place in Jersey City to-morrow, at which the question of surrendering the railroad concession from Canton to Hankow to the Chinese Government will be considered. China has made an offer for the concession. King Leopold of Belgium, one of the largest stockholders, has been greatly opposed to surrendering the concession.

It is believed that Mr. Morgan has decided to leave the question whether the road shall be sold to China or not entirely to the President. China has offered \$7,000,000 for the twenty-eight miles of road actually built and for the concessions for the remainder. The President, it is said, feels that the sale would be a great blow to American prestige in China. He feels that the open door policy would receive a severe blow if the road was sold. Former Minister E. H. Conger, it is said, strongly advised against the sale.

Mr. Morgan, it is said to-night, has decided to let his own interests be guided by the interests of the country. The sale would, from a pecuniary point of view, be advantageous to the American-China Development Company, but the United States would suffer in prestige.

WASHINGTON, Aug. 28.—Sir Chen Chung Liang-Cheng called at the State Department to-day and had an extended conference with Acting Secretary Loomis. The return of the Minister to Washington at this time, on the day preceding the meeting of the stockholders of the Canton-Hankow Railway, is regarded as significant. Both Mr. Loomis and the Minister refused to disclose what took place at their meeting to-day. The Minister left Washington to-night, and is to be absent two weeks.

It was said at the Chinese Legation to-night that probably nothing would come of the meeting to-morrow of the Canton-Hankow Railway stockholders, and that an adjournment would probably be taken without action. The reason for this is understood to be that the stockholders were not yet ready to act on the offer of the Chinese Government.

AUGUST BELMONT, JR., TO WED.

His Fiancee Is Miss Alice de Goucoura—Will Enter Father's Firm.

Announcement was made yesterday of the engagement of August Belmont, Jr., and Miss Alice de Goucoura, daughter of Elbert V. de Goucoura of the Stock Exchange. The date of the marriage has not been fixed, but it is understood that it will take place late in the autumn.

Miss de Goucoura is descended from one of the Spanish families which first settled in Cuba. She is 20 years old, an accomplished musician and is particularly fond of outdoor life. She is an expert tennis player and is considered one of the finest women whips in this part of the country.

Her father is a member of the Union and many other clubs and has a country seat at Babylon, L. I. Her only sister is Mrs. Scott de Goucoura, who has a summer place at Southampton, L. I.

August Belmont, Jr., is the eldest son of August Belmont. He is 22 years old and was this year graduated from Harvard. He has made a trip around the world. On Sept. 15 he will enter the banking house of Belmont & Co., and after serving an apprenticeship as an employee will become a partner. Young Mr. Belmont and his father will start to-day for a two weeks hunting trip in North Dakota. Mr. Belmont, Sr., in confirming yesterday the news of his son's engagement said that it was one which gave him great gratification.

GIRL ACCUSED OF SLANDER.

Arrested in a Federal Court, Where She Was a Witness.

WHEELING, W. Va., Aug. 28.—Miss Dolly Lantry, an accomplished girl of an influential family, was arrested this afternoon in the office of United States Commissioner Boyd, charged with having for a year past slandered respectable women through the mails and by telephone.

Miss Lantry was summoned as a witness against Mrs. Frank Crosby. After a comparison of writings to which Miss Lantry was requested to contribute, the Commissioner ordered Mrs. Crosby's release and the arrest of Miss Lantry. The girl broke down and wept piteously, all the while declaring her innocence. She was released on bond for her appearance before the next Federal Grand Jury. The receipt of anonymous letters by scores of families has been keeping Wheeling domestic relations at high tension. Skeletons have been bared to the world and endless complications caused. The letters have been in the hands of inspectors for several months.

RIOT OVER A BARGAIN.

Fifteen Persons Hurt in Rush at Indianapolis Store.

INDIANAPOLIS, Aug. 28.—Two thousand men and women attracted by an advertisement of some granite ware which was to be sold in a limited quantity and greatly under cost assembled in front of a Washington street store this morning, and in the rush when the doors were opened fifteen persons were injured. One woman, who had been near the door for an hour waiting for the store to open, fell fainting just as she started in, and those coming behind her stumbled over her prostrate body and half a dozen persons were trampled on.

Inside the store there was a trampled on the counter where the goods were on sale, and a show case was broken into a thousand pieces. A riot call was sent to police headquarters, and twenty policemen used their clubs before the crowd could be driven back. Three doctors were called to minister to the injured before they could be taken home.

Dewey's Fare Grace Juice and Port Wine will bring a smile of joy to your sick. H. T. Dewey & Sons Co., 135 Fulton St., New York.

50-55 TO DENVER AND RETURN
via Pennsylvania Railroad, account G. A. R. National Encampment. Tickets on sale at New York City, Aug. 29, 30, 31, September 1, 2 and 3, good returning until September 15, or on days of departure and payment of 50 cents to October 10. Consult ticket agents.—Ad.

MYRA KELLY IS MARRIED.

AUTHOR OF "LITTLE CITIZENS"
WEDS ALLAN MAC NAUGHTON.

Ceremony Performed in the Marble Collegiate Church on Sunday Afternoon—Her Stories Deal With Types She Had Met in East Side Schoolroom.

Miss Myra Kelly, well known as the author of "Little Citizens," stories of East Side life, was married Sunday afternoon in the Marble Collegiate Church, Fifth avenue and Twenty-ninth street, to Allan MacNaughton, president of the Standard Coach Horse Company of Teaneck, N. J. The couple, it was said last night, decided quite suddenly to get married, and only a few friends and the immediate members of the families attended the wedding. The ceremony was performed by the Rev. Otto Mohr, pastor of the Marble Collegiate Church.

Although the couple were married in a Protestant church, the bride's family are Catholics. Her father is Dr. John Kelly, who was an eminent surgeon in Dublin, Ireland, and moved to this country a good many years ago, living first in Boston and then coming to this city. Miss Kelly was graduated from Teachers' College in this city and early in life decided that she would like to do some sort of public work.

The quickest path to the work she desired lay, she thought, in teaching, and she began her career instructing the little ones of the East Side. It was in the schoolroom that she gathered the material for her stories. There is something of a romance in the meeting of Miss Kelly and Mr. MacNaughton. Mr. MacNaughton had read and been captivated by Miss Kelly's stories. When a friend of his brother spoke of bringing Miss Kelly to one of the paper chases held at Cedar Ridge, his estate, Mr. MacNaughton said nothing about his desire to meet the author, but later he expressed himself in this way:

"From the first moment I began the love making that has lasted ever since, but it's only lately that she's recognized it."

Miss Kelly was an ardent admirer of horses, and for some time she has frequently accompanied Mr. MacNaughton on his rides. Immediately after the marriage ceremony the bride and bridegroom were driven to Cedar Ridge. Mr. MacNaughton's place comprises several hundred acres, a section of the picturesque estate of the late William Walter Phelps, formerly United States Minister to Germany. Mrs. MacNaughton will have on the estate thirty-three miles of drives. She is fond of driving a four-in-hand and calls this her latest acquisition.

Mrs. MacNaughton intends to go ahead with her literary work, using her maiden name. Before she settles down to work, though, the couple will go to Canada on a hunting trip. Then they will take a trip abroad. "Myra Kelly's" publishers have, it is said, been urging her to write an Irish novel, and she may go to Ireland with her husband during the hunting season.

Mr. and Mrs. MacNaughton have not decided definitely whether they will make their home permanently in Teaneck or this city.

SIMON LAKE TO LEAVE U.S.

Submarine Boat Inventor Is Going to Europe, Where He's Appreciated.

Simon Lake, inventor of a submarine boat that was not accepted by the Government, arrived last night from Antwerp aboard the Red Star liner Finland, apparently much displeased with the attitude of his fellow Americans toward the Lake boat. He has been abroad six months, and announced as he landed that just as soon as he can settle up his affairs he would expatriate himself, becoming a resident, if not a citizen, of Germany. He declared that he would open an office in Berlin, without an American connection, and said that he would build submarines of the very best sort, capable of remaining under water forty-eight hours without endangering the lives of the crews.

Mr. Lake said that the submarine would be the lattest destroyer of the future. It was the only boat that could safely discharge a Whitehead torpedo with assurance of destructive results and get away without being harmed. The Lake boat had been exhibited in competition with other submarines abroad and had shown herself to be practically a perfect type.

He said that she had descended 137 feet deeper than any of her competitors and deeper than any boat designed in America. In a certain harbor abroad, the name of which Mr. Lake said he did not want to tell, one of his boats had run around a battleship without being detected and, although all hands aboard were on the watch, had stolen unseen far up into the river.

Mr. Lake said he had secured many fine contracts on the strength of the performances of his boat. He declined to tell what Governments had ordered his boats, but let the reporters infer that Russia was one.

In response to the question, "Do you intend to establish a plant in Germany?" Mr. Lake said that new money men had the privilege of making inferences from certain facts. The reporters naturally said they did not see how Mr. Lake could very well manufacture his boats here with an office in Berlin and no office or representative in America.

Mr. Lake intimated that Germany, Spain, France and Italy were more alive to the value of the submarine than other nations. France's appreciation of them was manifest as she had a larger fleet than any other country.

Mr. Lake seemed to regret that the Government had not given him what he called a fair chance to demonstrate the efficiency of his boat. He was reticent when asked what he thought of the Plunger and the President's trip in her. He took the 11 o'clock train to Brooklyn, uttering a few words as he went, "I'm going to leave the country to more appreciative of Yankee genius just as soon as possible."

GRANT'S APPOINTMENT CHAIR.
Willed to the Government by Gen. W. W. Blackmar.

BROCKTON, Mass., Aug. 28.—The will of Gen. Wilmon W. Blackmar of Hingham, late commander-in-chief of the Grand Army of the Republic, was probated to-day. Gen. Blackmar leaves \$100,000 to Nancy T. Creel of Louisville, Ky., whose mother nursed him back to life when he was a wounded Yankee soldier in the civil war. He leaves to the United States Government the chair in which Gen. Grant sat when arranging the surrender of Gen. Lee at Appomattox.

SHOT TWO DEFENDING WIFE.

Brooklyn Policeman Has Battle With Youth in Highland Park—One Dying.

Policeman August A. Hauke of the Liberty avenue station, East New York, and his wife were going through Highland Park on their way to the reservoir about 9 o'clock last night, when five young men jumped out of a clump of bushes and caught Mrs. Hauke by the arm.

Hauke fought them with his fists and then drew his pistol. They laughed at him and said the cartridges were blank. They tried to drag Mrs. Hauke away, the policeman says, and then he fired.

One bullet struck David Banks, 18 years old, of 920 Bainbridge avenue, Brooklyn, and he is dying in the Bradford street hospital. Another bullet downed George Edwards of 608 Bainbridge avenue, who got it in the right leg.

Both young men refused to talk at the Bradford street hospital. Their parents came there, but couldn't explain to the police. Neither Banks nor Edwards would say who the young men were that were with them.

LINCOLN'S BIRTHPLACE SOLD.

R. J. Collier of New York Buys the Farm for \$5,000.

FRANKFORT, Ky., Aug. 28.—R. J. Collier of New York bought for \$5,000 at public auction to-day the birthplace of Abraham Lincoln, known as the Lincoln farm. The farm contains 110 acres, and the price paid was barely more than it is worth for farming purposes.

Mr. Collier did not say what he intended to do with the property, and it is thought he purchased it for speculation.

STOLE A RIDE ON A BALLOON.

Williams Let Go of the Trapeze When 1,000 Feet Above the Earth.

ST. LOUIS, Mo., Aug. 28.—William Scanlon, a St. Louis aeronaut, made a balloon ascension last evening at Red House Park, Ill., in the presence of 4,000 picnickers. Just as the balloon was released, John Williams, also of this city, jumped and caught the trapeze bar. Scanlon endeavored to induce him to release his grasp, but Williams clung fast and endeavored to throw his feet over the bar and thus scramble into the basket. When the balloon had reached an altitude of 1,000 feet, Williams released his grasp and his body came whirling down and fell into a slough.

Williams was one of a party fishing near where the picnic was held. When he learned there was to be a balloon ascension he swore that he would ride in it, else he wouldn't would not be permitted to ascend.

MISS ROOSEVELT'S CHINA PARTY.

List of Those Who Will Go to Peking With the President's Daughter.

WASHINGTON, D. C., Aug. 28.—Eighteen of the Taft party, including Miss Roosevelt, will go to Peking, thereafter traveling independently from the party, which will leave Manila on the 31st for home. Those who will go to Peking and stay in the Orient for some time are Senator and Mrs. Newlands of Nevada, Senator Warren of Wyoming, Representative Gillett of Massachusetts, Representative Longworth of Ohio, Miss Roosevelt, Miss Boardman and Miss McMillan of Washington, Mr. William S. Reynolds of Newport, Arthur H. Woods of Groton, Mass.; Fred E. Warren, Cheyenne, Wyo.; Mr. and Mrs. Emile Godechaux, New Orleans; Life Young, Des Moines, Iowa; J. G. Schmidapp, Cincinnati, and Stuyvesant Fish, Jr., of Washington.

A GOVERNOR AIDS MRS. YOUNG.

Minnesota's Chief Executive Aids Negro Lawyer to Plead for Her.

Mrs. Beatrice Young, who shot Mrs. Kathleen Morgan, her husband's stenographer, at the Imperial Hotel, will be arraigned in the Jefferson Market police court this afternoon.

It became known last night that Mrs. Young was once stenographer to the Judiciary Committee of the State Assembly of Minnesota. The news came out through J. Frank Wheaton, a colored lawyer, who was a Minnesota Assemblyman.

Wheaton has been asked by Gov. John A. Johnson of Minnesota to plead for Mrs. Young. Gov. Johnson and Wheaton were in the Minnesota Assembly when Mrs. Young was stenographer there.

Mrs. Kathleen Morgan is still in the New York Hospital. She is rapidly recovering.

DEMOCRATIC CITY CONVENTION.

To Be Held on Oct. 5 in Carnegie Hall—Murphy and McCarren Meet.

The Democratic city convention will be held in Carnegie Hall on the evening of Thursday, Oct. 5. There will be an afternoon session. The convention will be called to order at 7:30 o'clock. These details were decided upon at a meeting of the Democratic city committee held last night at the Democratic Club. Among the members who attended were Charles F. Murphy and Senator McCarren, but both said that no mention of possible candidates had been made at the meeting.

The Tammany executive committee has been called to meet this afternoon at the Fourteenth street headquarters.

ENLARGED ECH-TOWNSEND BILL.

Joint Author Says He Will Introduce a New Measure This Winter.

WASHINGTON, Aug. 28.—Representative Townsend, joint author of the Ech-Townsend Railroad Rate Bill in the last Congress, in replying to a query from the Washington correspondent of the *Detroit Free Press*, announces his intention of introducing in the next House a bill embodying the main provisions of his former bill, to which he will add some specific regulation for refrigerator car lines, so that there shall be no question that they are included within the power of the Interstate Commerce Commission.

He is satisfied, he says, that some such bill will pass both houses at the coming session, adding that "the discussion during the summer has clearly demonstrated the necessity of enlarging the powers of the Interstate Commerce Commission so as to render its orders reference to rates and regulations effective."

THE ADIRONDACK MOUNTAINS, THOUGHT TO BE DEAD, ARE ALIVE.

And Saratoga are most charming in September, and many of the hotels remain open the greater part of the month. The train service of the New York Central to these popular resorts is complete. See our Ticket Agents for low rates and particulars.—Ad.

JAPS READY
WITH NEW OFFER.

Will Sell Russia Part of
Sakhalin and Drop Indemnity Demand.

OUTSIDERS TO FIX PRICE.

Russian Envoys Not Expected to
Receive Such a Plan
With Favor.

Witte Reiterates That No Money Will Go to Japan Except in Payment for the Care of Prisoners—Even Further Concessions May Be Made as a Result of the Imperial Council at Tokio—President Roosevelt Believes Japan's Last Offer a Fair One—Visit of Frank A. Vanderlip to Witte Causes Renewal of Rumors About Russian Loan.

PORTSMOUTH, N. H., Aug. 28.—In a last desperate effort to secure the restoration of friendly relations between their country and Russia, the Japanese plenipotentiaries to-morrow will offer to make concessions to the Czar's envoys. To President Roosevelt is due the credit of having produced this conciliatory move on the part of Japan, for it is upon suggestions submitted by him to the Tokio Government that the new proposals are based.

While the Russians profess emphatically that they do not know what the Japanese representatives intend to offer or indeed that they will offer anything at all in the way of modified conditions, they have heard unofficially that the plan of settlement to be proposed by Japan will embrace an adjustment of the embarrassing money question by a commission of neutrals. This proposition is entirely unacceptable to the Czar's envoys if their attitude is correctly represented, and they are not inclined to believe that the situation will be materially improved by any such tenders.

Still the outlook for peace must be regarded as brighter, particularly when it is kept in mind that the President has accomplished much and is still working. It is officially admitted by the Japanese to-night that they have received new instructions and that they have been informed of the result of the meeting at Tokio to-day between the Emperor, the Cabinet officers and the Elder Statesmen. They admit also that they will offer to make concessions if such a course becomes necessary. In view of the receipt of these advices, the Japanese plenipotentiaries arranged with the Russian mission to-night that the postponed meeting fixed for a 9 o'clock to-morrow afternoon should be begun at 9:30 o'clock to-morrow morning.

THE PROPOSAL.

Just what concession the Japanese Imperial Council has authorized Baron Komura and Mr. Takahira to make will not be disclosed by them until they have met Mr. Witte and Baron Rosen in the conference room at the Portsmouth Navy yard to-morrow. It is supposed to be based, however, on a suggestion from President Roosevelt that the matter of a money payment by Russia to Japan should be confined entirely to a price for the cession to Russia of the northern part of Sakhalin Island, this price to be fixed by a commission of disinterested persons of eminent standing in their respective countries, the commissioners to be nominated or chosen by Russia and Japan in equal numbers. In assenting to such a proposal Japan would waive all claim to remuneration for the cost of the war and leave for adjustment only the bare question of the amount Russia shall pay to get back part of Sakhalin.

The Russians are already asserting that a proposal of this character will be indignantly rejected. They maintain that it is only another plan to compel them to pay indemnity to Japan, and they are emphatic in declaring that they will not pay a cent of tribute, no matter how temptingly the suggestion is put.

The plan, as it is understood by the Russians, is regarded by them as merely an old proposal of President Roosevelt's in a new dress. The original proposal was rejected, and according to what the Russians say they are no more inclined to approve it now than they were when it was first brought to their attention.

PRESIDENT REGARDS IT AS FAIR.

It is known here that the President regards his plan of settlement as so fair and reasonable that he cannot understand how either belligerent can reject it, provided that each is anxious to have the war brought to a close. Ever since he asked Mr. Witte to send Baron Rosen or some other trusted agent to see him at Oyster Bay Mr. Roosevelt has been working steadily to prevent the negotiations from ending in failure. He has made many suggestions and some definite proposals, and has apparently not been discouraged over the far from cordial reception which each proposal has met from one side or the other.

The President's plan was that the Emperor of Russia and the Emperor of Japan should each name one representative to consider

the differences between the Russian and the Japanese envoys over the demands of the Japanese for indemnity and cession of territory. This suggestion was entirely unacceptable to the Russians, to whom it was put first. They maintained that, even if a commission of the character outlined should reach a harmonious conclusion, its agreement would not be binding on either Russia or Japan and would certainly be useless. A tribunal of arbitration with a neutral umpire having the determining vote would be able to make a binding award, the Russians admitted, but they plainly stated that if such a suggestion were made it would be rejected at St. Petersburg for the reason that Russia would never consent to submit to arbitration the question of whether she should pay an indemnity to her enemy.

Out of this and subsequent representations by the President came the Japanese offer to sell part of Sakhalin Island to Russia for \$200,000,000. When this was rejected by the Czar's envoys, Mr. Roosevelt renewed his efforts on the basis of the original proposal that two disinterested men should be selected to adjust the remaining points of difference between the belligerents. It is supposed here that the concessions which the Japanese plenipotentiaries are expected to offer to-morrow will be along the lines of the idea that a commission be appointed to take up the work which the Portsmouth conferees were unable to finish.

THINKS TOKIO TOO YIELDING.

While the Japanese are keeping quiet as to the details of the instructions upon which they will act at to-morrow's session, they show that they are much depressed. From what one of them said, it is evident that they believe the Government at Tokio has gone too far in offering concessions, and they fear that the present Ministry will become intensely unpopular and lose its influence in the Parliament.

"I am sad," said one of them to-night. "Why so?" he was asked.

"My Government will make concessions that the people will not approve," was the answer.

"Will there be peace?" was the next question.

"I fear so," he said. "Russia will hardly refuse."

Mr. Sato, the spokesman of the Japanese to whom all press representatives were referred by Mr. Takahira, the junior Japanese envoy, admitted this evening that the plenipotentiaries of Japan would go to the conference to-morrow prepared to offer concessions.

"Have you heard the result of the imperial council at Tokio?" Mr. Sato was asked.

"Yes," he answered.

"Will Japan make concessions to Russia at to-morrow's meeting?"

"We will make concessions if necessary. Japan has made all the concessions."

"Will you say what concessions Japan is willing to make?"

"I am not prepared to say."

"Will Japan waive all claim to indemnity and agree to let Russia buy back part of Sakhalin at a price to be fixed by a commission?"

"I will neither affirm nor deny."

"Do you look for peace?"

"I have been always optimistic."

"Are you still so?"

"I will remain so until I die," and Mr. Sato chuckled.

To-morrow will witness the test in the negotiations. The Russians, while hoping that the Japanese may have some substantial concession to make, are not inclined to believe that peace will be made as a result of the Portsmouth exchanges. They expect to leave here this week, accepting it as a foregone conclusion that the conference will end in a day or two. The belief that Japan will endeavor to secure from Russia the payment of a good round sum is responsible for the pessimism that prevails, as the Russians declare that not a cent shall go into Japan's treasury as a tribute from her enemy, unless for the cost of keeping the Russian prisoners of war.

Mr. Witte said again to-day as emphatically as ever that Russia would not pay an indemnity or any sum of money that could be construed as an indemnity.

VANDERLIP SEES THE ENVOYS.

Frank A. Vanderlip, vice-president of the National City Bank of New York, came to Portsmouth this evening and went to the Wentworth, where he registered under the name "John Harvard." He was assigned to rooms in that part of the hotel occupied by the Russians. Mr. Vanderlip saw Mr. Witte and Mr. Takahira to-night. He said his visit here was unimportant, as he had only come back to make a friendly call on Mr. Witte, whom he had met in Europe, and to see what the peace conference looked like.

Mr. Vanderlip was recognized by a dozen persons in the Wentworth lobby when he arrived from the railroad station. He did not explain why he registered under an assumed name.

Mr. Vanderlip's presence at the Wentworth has caused a renewal of the reports that Russia wants to raise money in the United States and that Mr. Witte has been commissioned to secure a loan. It was recalled to-night that when Mr. Witte arrived in New York he paid a visit to Mr. Vanderlip at the latter's office. They met in St. Petersburg several years ago, when Mr. Vanderlip was engaged in getting material for a series of magazine articles about European finances.

PRESIDENT SENDS MESSAGE TO PORTSMOUTH.

A long message in cipher from Oyster Bay was received to-night by Assistant Secretary of State Peirce, President Roose-

velt's representative. When it was translated it was sent to the Japanese quarters. One of the most prominent members of the Russian mission said to-night: